

## Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 L-03 SP-02 EB-07 TRSE-00 AID-05 SS-15

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R 192200Z DEC 75

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 8116

C O N F I D E N T I A L LIMA 10513

FOR: L/ARA - MR. GANTZ; S/P - MR. EINAUDI; ARA - MR. FISHLOW;  
EB- MR. SMITH: TREASURY MR. MARESCA

EO 11652: GDS

TAGS: ENID, EINV, ENRG, PFOR, PE

SUBJECT: GULF EXPROPRIATION

REF: LIMA 10438

1. CECIL CALLED EMBOFF ON DECEMBER 19 TO REPORT ON DELGADO-CRITCHLOW CONVERSATION HELD TWO DAYS BEFORE (REFTEL). CECIL SAID THAT DELGADO WAS RECEPTIVE TO THE TWO KEY GULF PROPOSALS; I.E., PAYMENT IN DOLLARS (OR THROUGH SOLES IMMEDIATELY CONVERTIBLE INTO DOLLARS) AND ALSO TO IDEAN OF SOME KIND OF ONGOING RELATIONSHIP. DELGADO REPORTEDLY SAID THAT THE GOP WISHES TO BE AS ACCOMMODATING AS POSSIBLE. CRITCHLOW ALSO PRESENTED TO DELGADO OTHER GULF PROPOSALS MENTIONED REFTTEL.

2. CIL SAID THAT GULF OFFICIALS AGREED WITH DELGADO TO RETURN EITHER THE FIRST OR, MORE LIKELY, SECOND WEEK OF JANUARY, AT WHICH TIME THE MINISTRY OF ENERGY AND MINES (MEM) WILL HAVE PREPARED ITS OFFICIAL RESPONSE TO THE COMPANY. DELGADO TOLD CECIL THAT MEM HOPES TO SETTLE THIS PROBLEM DEFINITELY BEFORE THE END OF JANUARY AND MENTIONED IN THIS REGARD THAT THE PRESENT MINISTER OF ENERGY AND MINES, GENERAL LA VERA VELARDE, WILL BE LEAVING HIS POST AT THAT TIME. (COMMENT: LA VERA HAD PREVIOUSLY CONFIRMED TO EMBOFF THAT HE IS SCHEDULED TO REPLACE  
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GENERAL FERNANDEZ MALDONADO AS CHIEF-OF-STAFF OF PERUVIAN

ARMY WHEN THE FORMER BECOMES PRIME MINISTER AT THE END  
OF JANUARY.)

3. CECIL ALSO SAID THAT GULF TEAM MET WITH GEN. (R)  
FERNANDEZ BACA, THE PRESIDENT OF PETROPERU. APPARENTLY,  
FERNANDEZ BACA DID NOT HAVE MUCH TO SAY ON THE SUBSTANCE  
OF THE GULF ISSUE, BUT DID NOTE THAT PETROPERU IS NOT  
BUYING GULF OIL BECAUSE "THE PRICE IS TOO HIGH."  
(COMMENT: CECIL DID NOT EXPLAIN WHY GULF OIL  
WOULD BE HIGHER THAN THAT SUPPLIED BY OTHERS, BUT IT  
MAY BE BECAUSE GULF HAD BEEN SUPPLYING PERU WITH HIGH-  
PRICED ECUADOREAN OIL.)

4. COMMENT: GULF TEAM WAS QUITE HEARTENED BY DELGADO'S  
INITIAL RESPONSE. WHETHER GOP WILL, HOWEVER, ACCEPT  
SOME FORM OF ONGOING RELATIONSHIP, AND HOW HARD GULF  
WILL PRESS THIS ISSUE DURING FUTURE BARGAINING, REMAINS  
TO BE SEEN. DELGADO'S MENTION OF TRYING TO WIND UP  
THIS ISSUE PRIOR TO DEPARTURE OF LA VERA FROM MINISTRY IS PROBABLY  
INDICATION THAT MEM TECHNICAL LEVEL WOULD PREFER TO  
RESOLVE THIS ISSUE UNDER PRESENT MINISTER, WHO IS PERCEIVED  
BY MANY AS A PROBLEM SOLVER RATHER THAN HAVING TO START  
OVER WITH LA VERA'S REPLACEMENT.  
DEAN

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## Message Attributes

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